

A large blue pipe is being lowered into a trench. A worker in a blue hard hat and orange safety vest is visible in the foreground, working on the pipe. In the background, a yellow excavator is positioned on a dirt embankment. The scene is set in a wooded area with bare trees.

Michigan's Water Infrastructure Investment Needs

An April 12, 2016 report by Public Sector Consultants

Commissioned by the
Michigan Infrastructure & Transportation Association

Goals of the report

1. Identify Michigan's unmet infrastructure needs to ensure clean drinking water and proper wastewater treatment.
2. Determine the gap between investment needed and the actual investment made in updating and maintaining infrastructure in communities across the state.

Methodology

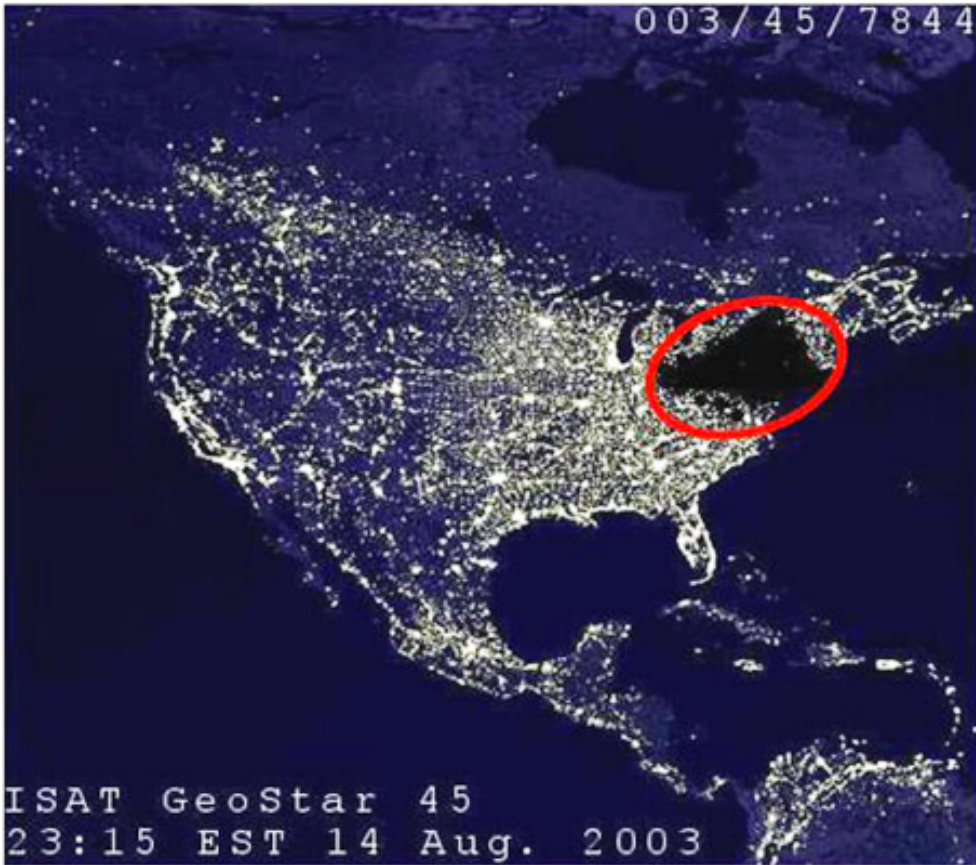
Public Sector Consultants (PSC) examined:

- U.S. Census data on water infrastructure spending by the state and local governments in Michigan from 2004 to 2013.
- Data from the Municipal Advisory Council of Michigan, which maintains records of outstanding bond debt held by Michigan communities.
- EPA surveys that estimate drinking water investment needs, and wastewater and stormwater investment needs.

Caution: There is a lack of comprehensive data on Michigan's infrastructure needs

- There is no comprehensive quantification of the total scope of Michigan's infrastructure needs or what it will take to meet those needs.
- The PSC report examines only drinking water, and stormwater/wastewater infrastructure needs (not dams, ports, etc.)

There is historical anecdotal evidence...



The statewide power outage in 2003 that shut down major public water systems.

There is recent anecdotal evidence...



Flooding in 2014 that forced shutdowns of five freeways and roads in southeast Michigan.

There is current anecdotal evidence...

The Flint water crisis, which in large part is due to aging lead water lines.



Report findings

Our investment falls substantially short of meeting infrastructure needs

- Michigan is underinvesting in its drinking water infrastructure by \$284 million to \$583 million each year.
- Between 2004 – 2013, average annual investments in drinking water infrastructure were \$447 million, compared to an annual need of \$731 million to \$1.01 billion.

Report findings (continued)

Stormwater and wastewater estimates by U.S. EPA suggest Michigan's investment need totals about **\$2.14 billion**.

- This figure does not reflect anticipated long-term costs, due to significant underreporting.

Census data show that between 2004 – 2013, Michigan communities spent an average of \$691 million each year on wastewater and stormwater infrastructure.

The bottom line



- A healthy infrastructure is key to Michigan's economy.
- When infrastructure fails, it threatens our entire water way of life.

The bottom line (continued)

- An essential role of government is to ensure communities have reliable drinking water and wastewater treatment.
- The PSC findings demonstrate the need for increased investment in our state's aging water and sewer infrastructure.



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The infrastructure we fail to repair today will have to be rebuilt tomorrow at many times the cost. Investing in our infrastructure today is common sense.

Ronald Reagan